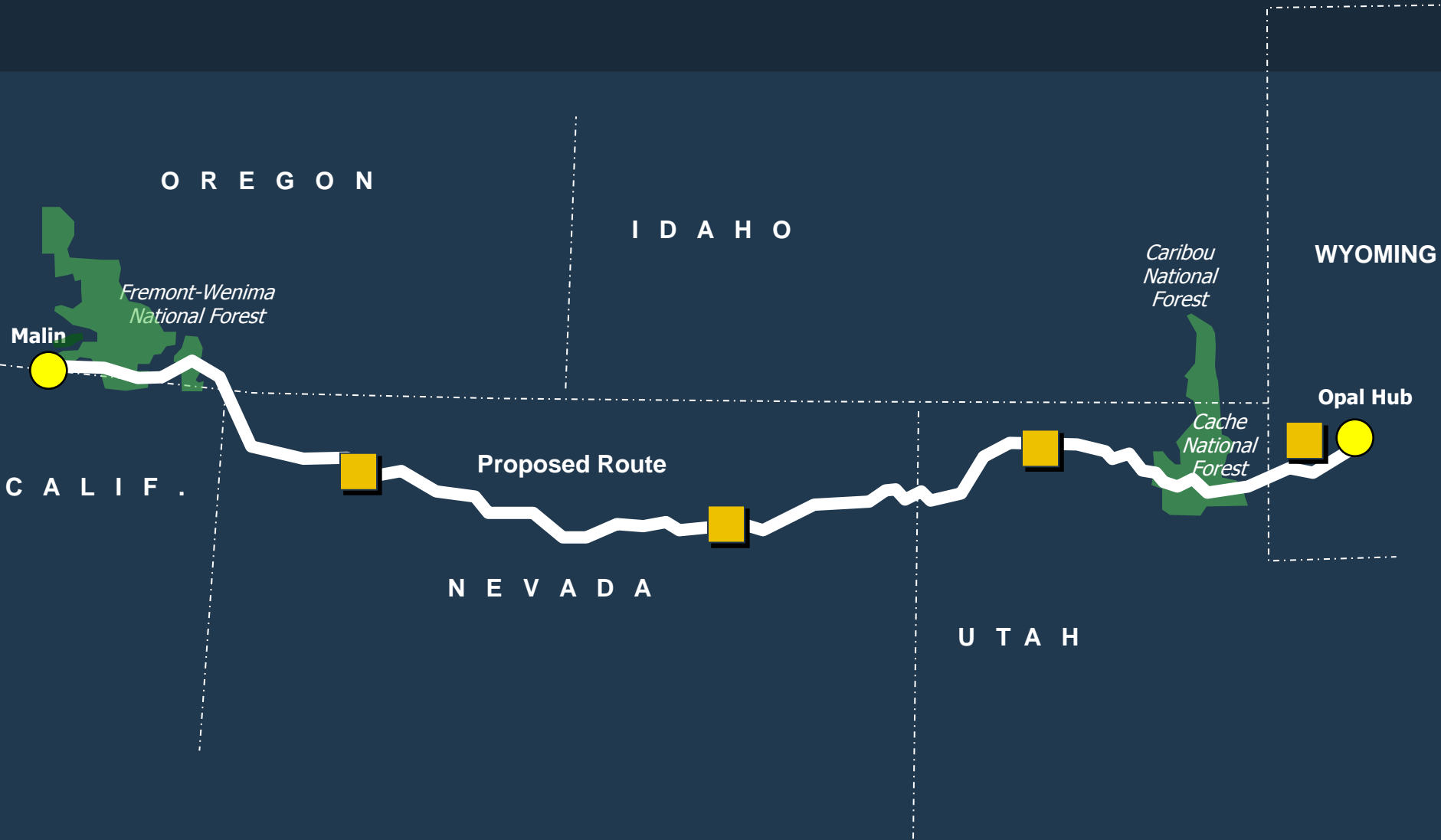


Ruby Pipeline Project

August 2011

Ruby Pipeline Project

- ⤴ 680 miles of 42-inch - Opal, WY to Malin, OR
 - Links Rocky Mountain Gas w/ Western US Markets
 - 7 Construction Spreads:
 - 80 to 120 miles each
 - 400-500 people per spread
- ⤴ 1.3 Bcf/d expandable to 2.0 Bcf/d
- ⤴ 1,440 psig MAOP
- ⤴ Compression:
 - Four compressor stations
- ⤴ 65% + Public Land



Project Schedule

- ⤴ November 2007: BLM Application
- ⤴ January 2008: FERC Pre-Filing
- ⤴ Jan to Sept 2008: Civil Survey
- ⤴ March / April to Sept 2008: Environmental & Cultural Studies
- ⤴ January 2009: FERC Filing
- ⤴ Construction 2010 and 2011
- ⤴ July 2011: Ready for Service

Safety

⤴ Testing and Benchmarking

- Construction Inspection
- Hydrostatically test
- Internal inspection

⤴ Safety and reliability are of paramount importance

- Monitor pipeline 24x7, 365 days a year
- Routine inspection and ongoing maintenance
- Coordinate closely with local emergency responders

Benefits to Local Community

- ⤴ Positive local economic impact
 - During Construction
 - Post Construction
- ⤴ Opportunity for natural gas delivery
 - Existing and expanding markets
 - Price Stability / Competitiveness

Environmental Stewardship

- ⤴ Green Pipeline
- ⤴ Agency Requirements
- ⤴ Resource Reports
- ⤴ Environmental Impact Statement
- ⤴ Environmental Inspection
- ⤴ Restoration & Reclamation

Route Selection & Refinement

^ Route Selection

- Environmental sensitivity
- Constructability
- Stakeholder input including face-to-face meetings, open houses, and mailings
- Access to producers and markets

Utah Water Sources

Types of Uses

1. Hydrostatic Testing

- 1 mile of pipe = approx 385,000 ga.
- Approximate gallons used in Utah = 70 Million

2. Dust Abatement

- Each truck load = approx 4,000 ga./load
- Approx gallons used in Utah = 30.5 Million

Types of Sources

1. Surface
2. Groundwater
3. Municipal (Include both surface and groundwater sources)

Utah Surface Water Sources

- Reservoirs, Canals, Rivers, Creeks, Ponds
- 18 were Permitted for Project
 - 5 were used for Hydrostatic Testing
 - 3 were Used for Both Testing and Dust Abatement
 - 10 were Used for Dust Abatement only

Utah Groundwater and Municipal Sources

1. Existing Wells
 - 5 existing wells were permitted
2. New Drills
 - Ruby Drilled 3 new wells
3. Hydrant
 - Brigham City
4. Surface
 - Mantua Reservoir

Hydrostatic Testing Discharge

- All locations were studied both for Environmental Biological and Cultural resources
- Erosion Control Devices were used
- Water had to be discharged in same hydrological basin

Number of Discharge Locations by County

1. Rich
 - 6 Discharge Locations
 - Approx 25 miles = approx 9.6 million ga. discharged
2. Cache
 - 11 Discharge Locations
 - Approx 27 Miles = approx 10.4 million ga. discharged
3. Box Elder
 - 24 Discharge Locations
 - Approx 130 miles = approx 50 million ga. discharged

Water Permitting Challenges

1. Permitting process

- Agreement with Landowner
 - Calculating acreage for landowner to dry up
- State approval timeframe for permits to meet construction time frames
- Navigating water ownership;
 - Canal company certificates
 - Water shares
 - Individual water rights
 - State water rights

Mitigation

- Landowner reimbursement for drying up acreages and volume of water used

Water Permitting Challenges

2. Drilling wells

- Dry hole
- Plug and abandon wells per State requirements
- When complete, appropriately convey water well improvements for surface owner beneficial use

3. Regulatory

- Later timeframe for start of construction
- Need to extend State authorizations and landowner approvals